

Note: This memo can also be found in the September 28 RHNA Public Hearing/Workshop packet on the SCAG RHNA website.

To: All Interested Parties

Subject: Background Information re: Opportunities for Participation and Comments from Local Government and Stakeholders

Date: September 28, 2006

AB 2158 Housing Allocation Factors between Communities

Consistency between long range regional transportation planning goals in the SCAG Compass Blueprint growth vision and the Regional Housing Needs Assessment statutory objectives are overarching planning considerations. Local input on the integrated growth forecast may have already taken into account the allocation methodology factors identified in state housing law. Many AB 2158 planning considerations and factors are addressed in the SCAG Integrated Growth Forecast, but some are not, and still others may not be adequately addressed. The housing law planning considerations for Regional Housing Needs Assessment (RHNA) allocation methodology are intended as factors to consider when determining shares of housing need between communities. These factors may be weighted in a housing distribution formula or incorporated into the regional and subregional growth forecast generally.

RHNA Factors

During the growth forecasting process and in the development of a housing allocation methodology, specifically, SCAG will consider the specific opportunities and constraints presented by jurisdictions that pertain to the AB 2158 planning considerations identified in state housing law for use in the Regional Housing Needs Assessment (RHNA) process. Local government and public input is needed to determine which factors need to be more fully addressed, how the factors are to be used or considered, and whether they should be weighted for allocation purposes. The factors cannot be used to lower the regional housing need. Thus their purpose is to assign shares of the regional or subregional housing need between jurisdictions in a market area.

More over, the RHNA factors should only be incorporated in the allocation of housing need if they are not adequately considered in the Integrated Growth Forecast or in the local and subregional input gathered in support of it. Since the purpose is to distribute housing need, the factors must be used to differentiate development suitability between jurisdictions in the 2005 to 2014 housing element planning period.

Some factors may be more suitable for use in a jurisdiction's local housing element or general plan than for regional or subregional allocation purposes. This is because the RHNA assigns housing need to a jurisdiction as a whole, and not to a specific place. For example, a factor might indicate a lack of development suitability in one part of a

community, which may still be off set by development potential elsewhere in the jurisdiction. Local governments must balance housing growth with other local needs in assessing their suitability for future housing development collectively with other jurisdictions.

The AB 2158 factors identified in the housing law are described below along with suggestions on how they may be addressed in an allocation methodology:

- Existing and projected job housing balance. Housing distributions should be related to employment centers and growth locations to reduce commutes; vehicle miles traveled congestion and improve housing availability, where appropriate. Each jurisdictions projected share of employment could be used as a basis for adjusting housing allocations, especially when there is a mismatch between residential development expected and employment growth across a region or subregion.
- Lack of sewer or water service due to federal and state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period. This factor may be difficult to use in an allocation methodology designed to determine shares of housing need between communities. It is a physical / fiscal constraint that temporarily curbs growth potential and may be difficult to distinguish from growth caps that are prohibited by the housing statute. As an allocation factor it could be used in conjunction with a developable land measure.
- The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. This type of consideration is usually provided through local and subregional input into the regional growth forecast. This factor may also be used in conjunction with a developable land measure.
- Lands preserved or protected from urban development under existing federal and state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis. This is a primary input and consideration in the regional growth forecast and is incorporated in potential desegregations.
- County policies to preserve agricultural land. The protection of prime agricultural land is also a prime consideration in the regional growth forecast as a non-desegregation factor.

- The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure. This factor is addressed through the integrated growth forecast for the Regional Transportation Plan and Compass Blueprint or growth vision. It is the basis for all regional plans, including the RHNA.
- The market demand for housing. The housing statute calls for all jurisdictions to receive a housing allocation. The market demand for housing is considered as a function of population and employment growth in the regional growth forecast and local input.
- County policies to preserve prime agricultural land within in unincorporated area. The regional growth forecast basis itself on subregional and local input on where growth should and should not occur. This land use input is incorporated into the regional growth forecast.
- The loss of units contained in assisted housing developments. This is a local planning consideration which affects the proportion of affordable housing needed within a jurisdiction. However, SCAG has prepared detailed projections of units at risk of conversion from subsidized affordable housing to market rate housing for both expiring federal Section 8 projects and federal and state Low Income Housing Tax Credit projects so communities may see the collective impact of such conversions over the local housing element planning period.
- High housing costs burdens. An allocation factor could assign more housing to high housing cost jurisdictions relative to lower housing cost jurisdictions based on the regional or county average housing cost.
- Needs of farm workers. In addressing the needs of farm workers, a subregional rather than a regional factor should be considered because farm worker housing needs are concentrated geographically and across farm communities in specific SCAG region counties and sub areas.
- Other considerations as adopted by SCAG. Other factors beyond those in the RHNA housing statute may be considered by SCAG and suggestions are welcome.

The use of AB 2158 factors will ensure more local input in the housing allocation process and allow for local circumstances to be addressed. However, according to existing housing law, a jurisdiction cannot justify a determination or reduction in its share of housing allocation using any ordinance, policy, or voter-approved measure of a

city or county that directly limits the number of residential building permits issued by a city or county.

Opportunity for AB 2158 Planning Considerations

The Regional Housing Needs Assessment Pilot Program intends to ensure that local input and feedback are presented and considered during the housing allocation process. The Pilot Program provides two opportunities for incorporating AB 2158 factors as planning considerations for housing allocation:

1. Integrated Growth Forecast/ RHNA Workshops in each Subregion to evaluate local growth distributions: October/November 2006

SCAG will hold a subregional workshop to present housing allocation for each subregion. The purpose of these workshops is to discuss the regional growth forecast and the factors upon which housing needs are proposed to be allocated to subregions. The subregional workshops will also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to SCAG on the AB 2158 factors to reflect local needs.

A workshop schedule will be posted online: <http://scag.ca.gov/Housing/rhna.htm>. Please check for updates.

2. Appeal of Regional and Subregional Housing Allocations: February/March 2007

In order to ensure that the housing forecast and allocation engage local needs, a city or county may appeal its draft allocation based on AB 2158 factors, which are listed under existing law. This will allow for local planning considerations to be incorporated again as input in order to reach a consensus for housing allocation.